

TIMBER NOTICE OF SALE

SALE NAME: LITTLE SWEDEN Log Sorts AGREEMENT NO: 30-078960 - 30-078966

AUCTION: September 26, 2006, starting at 10:00 a.m., COUNTY: Stevens
Northeast Region Office, Colville, WA.

SALE LOCATION: Sale located approximately 11 miles southwest of Valley, Washington.

PRODUCTS SOLD
AND SALE AREA: All delivered timber, except western red cedar and ponderosa pine less than eight inches in diameter at breast height, not banded with blue paint in Units #1, #2, #3, #4, and #5 bounded by white timber sale boundary tags and pink ribbon meeting the specifications described below; on parts of Section 36, Township 31 North, Range 39 East, W.M., containing 295 acres, more or less.

MINIMUM BID AND ESTIMATED LOG SORT VOLUMES:

Agreement #	Sort #	Average Log Length	Species and Sort Specifications	Estimated Volume		Minimum Bid Delivered Prices		Total Appraised Value	Bid Deposit
				MBF	Tons	\$/mbf	\$/Ton		
30-078960	1	30'	DF, WL 8"+ dib (knots less than 2" & 28" max butt dia) Peeler Grade	1,185	6,909	\$501.48	N/A	\$594,300.00	\$59,430.00
30-078961	2	27'	DF, WL 8"-11" dib Sawlogs	297	2,028	\$488.33	N/A	\$145,000.00	\$14,500.00
30-078962	3	30'	DF, WL 12" + dib Sawlogs	296	1,874	\$487.72	N/A	\$144,400.00	\$14,440.00
30-078963	4	28'	PP 6"-11" dib Sawlogs	252	1,350	\$246.98	N/A	\$62,200.00	\$6,220.00
30-078964	5	30'	PP 12"+ dib Sawlogs	260	1,224	\$476.10	N/A	\$123,800.00	\$12,380.00
30-078965	6	28'	GF, LP 8" + dib Sawlogs	277	1,597	\$381.35	N/A	\$105,600.00	\$10,560.00
30-078966	7	N/A	DF, WL, GF, LP 5"-7" dib Chip & Saw	597	3,766	N/A	\$49.23	\$185,400.00	\$18,540.00
Totals				3,164	18,748	\$1,360,700.00			

BID METHOD: Sealed Bids UNIT OF MEASURE: MBF scale/Tonnage scale

EXPIRATION DATE: February 28, 2007 ALLOCATION: Export Restricted

PAYMENT
SECURITY: To be determined by the State as described in Clause P-041 of the Purchaser's Contract.

BIDDING
PROCEDURES: A separate sealed bid and envelope must be submitted for each log sort. Prospective Purchasers may bid on any or all log sorts. On the day of sale the Purchaser must bring their bid deposit up to 10% of their total bid price. Complete bidding procedures and auction information may be obtained from the Northeast Region Office in Colville, WA. Phone number (509) 684-7474.

HARVEST AND
DELIVERY COSTS: Purchaser must pay the forest excise taxes associated with the log sorts delivered to them. The tax rate for this sale is 4.2%. Taxable Stumpage = Total Delivered Value – (Harvest Cost + Haul Cost + ARRF). Use the following rates for estimating taxable stumpage: Harvest Cost = tons x (\$15.37/ton). Haul Cost = (tons) x ((\$2.63/ton base rate) + (\$0.16/ton x C miles) + (\$0.14/ton x A miles)). ARRF = \$22.25/mbf.

SPECIAL REMARKS: The successful Purchaser(s) will be required to purchase logs from the sale area upon delivery to their location specified in the bid submitted. Logs will be delivered to the Purchaser's delivery location by the State's contract harvester. Purchaser is responsible for weighing and scaling costs. All mbf and tonnage loads will be weighed and all mbf loads will be scaled at State approved scaling locations. The State reserves the right to determine where logs are authorized to be scaled and weighed.

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For more information regarding this log sort sale visit our web site:
<http://www.dnr.wa.gov/htdocs/fr/sales/>. If you have questions call Bob McKellar at the
Northeast Region office at (509) 684-7474 or Dave Richards at the Product Sales and Leasing
Division Office in Olympia at (360) 902-1365.

CONFIRMATION: Each sort is subject to confirmation following auction. No sorts will be confirmed until at
least 10 days after all sorts are successfully auctioned.